

# Public Document Pack

## CABINET

18/12/2017 at 6.00 pm



**Oldham**  
Council

**Present:** Councillor Jabbar (Chair)  
Councillors Akhtar, Brownridge, Chadderton, Harrison,  
F Hussain and Moores

1           **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Stretton.

2           **URGENT BUSINESS**

There were no items of urgent business received.

3           **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4           **PUBLIC QUESTION TIME**

There were no public questions received.

5           **MINUTES OF THE CABINET MEETING HELD ON 20TH  
NOVEMBER 2017**

RESOLVED - That the minutes of the meeting held on 20<sup>th</sup>  
November 2017 be approved as a correct record.

6           **ROYTON DISTRICT CENTRE MASTER PLAN**

Consideration was given to a report of the Director of Economy  
and Skills which sought support of the Royton Master Plan as a  
visionary document to guide possible future investments in  
Royton.

The report provided details of the preparation of the master plan  
and the development of potential options for improvements and  
investment in Royton District Centre.

The masterplan was detailed at appendix 1 to the report.

Options/alternatives

Option 1 – Not to endorse the masterplan and any future  
investment in Royton would be on an ad-hoc basis.

Option2 – Approve the master plan as a visionary document to  
provide guidance on potential future investment and  
improvements.

RESOLVED – That the Royton Master Plan as detailed at  
appendix 1 to the report ne endorsed as guidance on potential  
future investment and improvements.

7           **BUSINESS AND INVESTMENT REVIEW**

Consideration was given to a report of the Director of Economy  
and Skills which sought approval of the strengthening of the  
Strategic Investment Team to improve business engagement  
and create a competitive business support offer, to maximize  
business growth and investment in the Borough.

The report provided details of a business investment review  
undertaken in 2016 by Amion and the findings were used to  
form the basis of the report and improve the Council's  
understanding of how the local economy and business base  
performed.

The review was carried out in line with local Greater Manchester policy context and developed within the context of the Oldham Strategic Investment Framework. The Amion report was attached at appendix 2 to the report. And the SIF was attached at appendix 3 to the report.

#### Options/alternatives

Option 1 - Do nothing – continue delivering the service through existing mechanisms at zero cost. Under this option it was likely that only 6% business support targets would be achieved resulting in 274 businesses being assisted and 256 new jobs being created over the next 2 years.

Option 2 - Restructure existing teams within the council and add capacity to the Strategic Investment Team through the transfer of expertise from other service areas. The cost of this was approx. £100,000. Under this option it was likely that only 10% business support targets will be achieved resulting in 402 businesses being assisted and 380 new jobs being created over the next 2 years.

Option 3 - Strengthen the function of the Strategic Investment Team through the recruitment of new staff and additional resources to improve engagement and strengthen the business support offer. This option required a one-off revenue investment and provision for a one-off capital allocation of £100,000 for a new grant programme (subject to business cases). Additionally, the requirement for a fixed term 2 year contract for the recruitment of an additional Investment Officer would be absorbed from vacancy savings identified in the current departmental restructure. Under this option it was projected that 16% business support targets would be achieved through an uplift in enquiries to 2,800 pa resulting in 593 businesses being assisted and 566 new jobs being created over the next 2 years which would have a greater impact on the economic impacts that we are looking to achieve.

#### RESOLVED – That:

1. The function of the Strategic Investment Team be strengthened through the recruitment of new staff and additional resources to improve engagement and strengthen the business support offer.
2. The total additional costs of £280,000 comprising of a one off capital allocation of £100,000 and the balance of revenue costs be approved.

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#### **OLDHAM OPPORTUNITY AREA**

Consideration was given to a report of the Director of Education and Early Years which sought approval for the receipt of section 31 grant funding to resource the Opportunity Area Programme, to agree that the grant payments would be ring-fenced locally to the Opportunity Area Programme and to note and endorse the recommended spending priorities identified in the Opportunity Area Plan.

Oldham, as one of twelve areas receiving a share of £72 million to boost opportunities for young people in the Borough and improving social mobility, was likely to receive in excess of £6.5 million of the funding.

In addition to this, as an Opportunity Area, Oldham would also receive a share of £22 million through a new Essential Life Skills Programme, which would be targeted toward helping disadvantaged young people to develop life skills such as resilience and employability. Oldham's share of this investment was likely to be in excess of £2.5 million.

Options/alternatives considered

Option 1 – Not to approve the recommendations within the report.

Option 2 – To approve the recommendations within the report.

**RESOLVED – That:**

1. The attached report be approved, the spending priorities be endorsed and targets identified in the Opportunity Area Plan be noted.
2. Authority to make all spending decisions relating to the Opportunity Area (including key decisions) be delegated to the Director of Education and Early Years, after consultation with the Cabinet Member for Education.
3. Authority to the Director of Education and Early years to award contracts stemming from a compliant procurement process and authority to the Director of Legal Services to sign/seal such contracts and any necessary incidental and/or ancillary documents.
4. Formal update reports be provided quarterly to the Cabinet Member for Education and that an annual report on progress and spending be provided to Cabinet and the Department of Education confirming the activity has taken place or has been funded.

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## **SCHOOLS FUNDING FORMULA FOR 2018/19**

Consideration was given to a report of the Director of Finance which sought approval of a recommended approach to how the funding to schools and academies should be distributed for 2018/19.

The report provided a breakdown of the Dedicated Schools Grant (DSG) for 2018/19 and information about the National Funding Formula for schools and the key issues relating to the High Needs block for Oldham.

It also presented options including the preferred option for the distribution of DSG to schools and academies from 2018/19.

The DSG would be made up of 4 funding blocks from 2018/19:

- Schools
- High needs
- Early Years
- Central Schools Services (new block)

Each of the four blocks was determined by a separate National Funding Formula which calculated the funding that was due to Local Authorities.

The Schools block was ring-fenced for 2018/19 but Local Authorities would have had the ability to transfer up to 0.5% of Schools Block funding to another block following consultation will all maintained schools and academies and the approval of the Schools Forum.

It was proposed that Oldham utilised this option because of the pressures on High Needs budgets and the increase in the overall DSG budget and this had been agreed overwhelmingly by the Schools Forum.

An approach would be made to the Secretary of State for Education for approval to move another 0.5% of funding to the Higher Needs block as the current financial position of the DSG was forecast to be at significant deficit position at the end of 2017/18 and this was largely due to pressures on the Higher Needs block.

This, if agreed by the Secretary of State would result in 1% funding from the Schools Block to the Higher Needs block.

Options/alternatives considered

Option 1 – Passport the Schools National Funding Formula allocations calculated by the Education, Skills and Funding Agency using the national formula factors and rates.

Option 2 – Continue to use Oldham’s current formula with a minimum funding guarantee of 0 per cent and a cap on gains.

Option 3 – Continue to use Oldham’s formula and to move part way to the proposed national formula with a minimum funding guarantee of 0 per cent and a cap on gains.

Option 4 – Continue to use Oldham’s formula and move part way to the proposed national formula with a minimum funding guarantee of 0.5% and a cap on gains.

**RESOLVED** – That the distribution of the Dedicated Schools Grant for 2018/19 would continue to use Oldham’s formula and to move part way to the proposed national formula with a minimum funding guarantee of 0 per cent and a cap on gains with a 0.5% voluntary transfer between the Schools and High Needs block and a further 0.5% transfer between the Schools and High Needs block subject to the approval of the Secretary of State for Education.

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## **COUNCIL TAX BASE AND NON-DOMESTIC RATES TAX BASE FORECAST 2018/19**

Consideration was given to a report of the Director of Finance which presented the Cabinet with the Council Tax and provisional Non-Domestic (NDR) Tax Bases for 2018/19 for use in budget deliberations and sought delegated authority in determining the final Non-Domestic Rates (Business Rate) tax base figures.

It was reported that after applying adjustments for the Local Council Tax Support scheme and to reflect charges to empty properties and an anticipated increase in the number of properties to be included in the valuation list over the year, the number of band D equivalent properties reduced to 57,387.6.

The final Council Tax base after the application of the anticipated collection rate of 97% was 55,666 which was an increase of 761 over the Council Tax base for 2017/18. The 2018/19 Tax bases for Saddleworth Parish Council of 8,529 and for Shaw and Crompton Parish Council of 5,363 had been calculated on the same basis.

It was further reported that under the current government finance system, local billing authorities were required to prepare and submit to the Department of Communities and Local

Government (DCLG) a locally determined and approved Business Rates forecast through the National Non-Domestic Rates 1 return by January 31 each year. This forecast was to be used to determine the 2018/19 “demand” and payment schedule for Business Rates between the Oldham Council and the Greater Manchester Combined Authority. Being a participant in Greater Manchester 100% Rates Retention Pilot scheme meant the Council no longer payed a share of Business Rates to Central Government. Instead the Council retained 99% of the income with 1% being paid to the Greater Manchester Combined Authority for Fire and Rescue Services.

The estimated rating income for 2018/19 attributable to Oldham Council was £51.698m. Delegation was being sought from Cabinet to enable the business rate forecast to be updated to take account of the Local Government Finance Settlement and up to date Non-Domestic Rates information to be submitted to Central Government by 31<sup>st</sup> January 2018 via the annual NNDR 1 return.

The report also requested approval (subject to the notification of the Provisional Local Government Finance Settlement) for the continuation of the pooled Business Rates revenues with the other Greater Manchester Districts.

#### Options/Alternatives

The Council had little discretion in the calculation of the number of properties incorporated into the Council Tax base given the legislative framework. There is however some discretion over estimating the number of new properties that could be included on the Council Tax register during 2018/19. A prudent view had been taken in this regard. The main area for an alternative approach was over the level of assumed collection rate. An increase in the collection rate would boost anticipated Council Tax income and a decrease in the rate would decrease income. The Council has chosen to increase its collection rates by 0.11% to 97%.

#### RESOLVED – That:

1. The Council Tax Base for 2018/19 at 55,666 Band D equivalent properties be approved.
2. The latest estimated Business Rates revenue that was attributable to Oldham Council as being £51.689m be approved.
3. The decision to vary the final Business Rates forecast and hence the Business Rates Tax Base, if required, be delegated to the Cabinet Member for Finance and HR in consultation with the Executive Director of Corporate and Commercial Services and the Director of Finance.
4. The Tax Bases for Saddleworth and Shaw and Crompton Parish Councils of 8,529 and 5,363 respectively be noted.
5. The final decision of the Council’s membership of the proposed Greater Manchester, Cheshire East and Cheshire West and Chester Council’s Business Rates Pool for 2018/19 (subject to information contained in the Provisional Local Government Finance Settlement) be delegated to the Cabinet Member for Finance and HR in consultation with the Executive Director of Corporate and Commercial Services and the Director of Finance.

## **REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2017/18 QUARTER 2 - SEPTEMBER 2017**

Consideration was given to a report of the Director of Finance which provided Cabinet with an update on the Council's 2017/18 forecast revenue budget position and the financial position of the Capital Programme as at 30<sup>th</sup> September 2017, together with the revised capital programme of 2017/21, as outlined in section 2 of the report at Annex 2.

The current forecast outturn position for 2017/18 was a projected favourable variance of £0.149m after allowing for approved and pending transfers to and from reserves.

The key issues to note were that two portfolios which presented the most significant areas of concern, Health and Wellbeing and Economy and Skills and Neighbourhoods and an update on the issues driving those projections were detailed within the report at Annex 1.

The original Capital Programme for 2017/18 totalled £69.783m, the revised capital programme as at quarter 2 taking into account approved carry forwards, approved new schemes and variations and proposed variations gave projected revised expenditure of £41.00m.

It was noted that the forecast position would change significantly before the years end with additional re-profiling to future years.

Options/Alternatives considered

Option 1 – To approve forecast revenue and capital positions presented in the report including proposed changes.

Options 2 – To approve some of the forecasts and changes included within the report

Options 3 – Not to approve any of the forecasts and changes included in the report.

**RESOLVED – That:**

1. The forecast revenue outturn for 2017/18 at Quarter 1 being a £0.149m under spend.
2. The forecast positions for both the HRA and Collection Fund be approved.
3. The use of reserves as detailed in Appendix 1 to Annex 1 of the report be approved.
4. The revised capital programme for 2017/2021 as at Quarter 1 be approved.

## **COMMERCIAL PROPERTY INVESTMENT STRATEGY AND FUND**

Consideration was given to a report of the Director of Finance which sought approval of a Commercial Property Investment Strategy (CPIS) and the establishment of a fund to facilitate development in a robust property portfolio in order to generate a sustainable future income stream to support the Council's mainstream service delivery.

The report provided details of the proposal to develop a CPIS and the subsequent investment fund that would present an opportunity to reduce the budget pressure by increasing the revenue income stream to the Council by way of rental income from new property assets. The return from investments would contribute to the Council's Medium Term Financial Strategy in

that income from revenue streams would be reinvested into supporting the economy of the Borough and the provision of Council services.

Options/alternatives considered

Option 1 – Do not agree the strategy. This would not maximize the potential of additional revenue generation for the Council.

Options 2 – Agree the strategy and the establishment of a fund.

RESOLVED – That Cabinet would consider the commercially sensitive information contained at Item 17 of the agenda before making a decision.

13

**APPROVAL TO EXTEND THE CONTRACT FOR DELIVERY OF OLDHAM'S INTEGRATED SUPPORT SERVICES FOR YOUNG PEOPLE**

Consideration was given to a report of the Executive Director Health and Wellbeing which sought approval to extend the contract for delivery of Oldham's Integrated Support Services for young people

The proposed extension was for one year, 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 at a reduced contract value in line with agreed proposed budget savings.

Options/Alternatives considered

Option 1 – Extend the current commissioning arrangements.

Option 2 – End the current contract with no replacement or arrangements beyond 1<sup>st</sup> April 2017.

Option 3 – Re-tender exercise. This option would be untenable as there was insufficient time to carry out a complete and fair procurement process.

RESOLVED – That the Cabinet would consider the commercially sensitive information detailed at Item 18 of the agenda before making a decision.

14

**DISPOSAL OF LAND AT ACRE LANE, DERKER**

The Cabinet gave consideration to a report of the Director of Economy and Skills which sought approval to disposal of a long leasehold interest in an area of land at Acre Lane Derker to First Choice Homes Oldham on the basis of a direct disposal.

First Choice Homes planned to develop a total of 51 homes for 'Rent to Buy' that would be for working families who could not afford a deposit and to give the opportunity to rent the home at 80% of the market rent, enabling the family to save for a deposit to purchase their home.

Options/alternatives

Option 1 – Dispose of land along with the other vacant sites in Derker.

Option 1 – Dispose of land on the open market.

Option 3 – Dispose of the land to First Choice Homes to enable the delivery of 51 homes.

RESOLVED – That Cabinet would consider the commercially sensitive information at Item 19 of the agenda before making a decision.

15

**COUNCIL PERFORMANCE REPORT SEPTEMBER 2017**

The Cabinet gave consideration to a report of the Head of Business Intelligence which provided a review of Council performance for September 2017.

The report provided the Cabinet with an overview of the Council's performance against priorities outlined within the Corporate Plan, which had been monitored in the period July to September 2017.

It was reported that of the rated measures detailed within the report 64% had met the target and 88% of the Corporate Plan Actions for this month were on track or had been met.

Options/Alternatives considered

To note the Council performance July to September 2017.

RESOLVED – That the Council Performance Report September 2017 be noted.

16 **EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraphs 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

17 **COMMERCIAL PROPERTY INVESTMENT STRATEGY AND FUND**

The Cabinet gave consideration to the commercially sensitive information in to Item 12 – Commercial Property Investment Strategy and Fund.

RESOLVED – That recommendations 1-9 as detailed within the commercially sensitive report be approved.

18 **APPROVAL TO EXTEND THE CONTRACT FOR DELIVERY OF OLDHAM'S INTEGRATED SUPPORT SERVICES FOR YOUNG PEOPLE**

The Cabinet gave consideration to the commercially sensitive information in to Item 13 – Approval to extend the contract for delivery of Oldham's Integrated Support Services for Young People.

RESOLVED – That:

1. That approval be given to extend the contract for the delivery of Targeted Youth Services for Oldham's young people with the current provider for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.
2. Authority be given to the Director of Legal Services seal the deed of variation to the existing contract.

19 **DISPOSAL OF LAND AT ACRE LANE**

The Cabinet gave consideration to the commercially sensitive information in to Item 14 – Disposal of Land at Acre Lane.

RESOLVED – That the recommendations as detailed within the commercially sensitive report be approved.



The meeting started at 6.00pm and finished at 6.27pm



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